

Liberty Utilities (CalPeco Electric) LLC (U 933-E)
2016 General Rate Case A.15-05-008
Revenue Requirement

Line Item	Issue	Current Status	Liberty Utilities Request in Application	ORA Response in Testimony	A-3 Customer Coalition Response in Testimony	Notes	2016 GRC Settlement
1	Total Revenue Requirement (\$000s)	\$78,257	\$91,827	\$84,305	N/A	Original Liberty request represented a 17.34% increase; settlement represents a 1.21% increase	\$79,301
2	Increase in Base Rate Revenue Requirement (\$000)	\$0	\$11,400	\$7,601	N/A		\$9,819
3	Energy Revenue (ECAC) Requirement	\$39,973	\$40,923	\$37,243	N/A	Change reflects positive impact of new NV Energy supply agreement effective January 1, 2016; over collection to be amortized over twenty-seven months after the effective date of the decision through December 31, 2018	\$29,903
4	Energy Efficiency (\$000)	\$367	\$495	\$445	N/A	ORA agreed with most Liberty proposed expenditures; settlement reflects compromise on spending for Small Commercial Audit, Energy Lighting and Refrigerator Recycling Programs	\$471
5	Vegetation Management (\$000)	\$2,500	\$2,523	\$2,523	N/A	Maintenance of VMMA one-way balancing account and separate line item billing	\$2,523
6	Solar Initiative Program (\$000)	\$0.00	\$371	\$371	N/A	Liberty proposed 6 year program, but agreed to ORA proposal for three year with right to request extension in next GRC	\$371
7	Catastrophic Emergency Memorandum Account (\$000)	N/A	\$700	\$700	N/A	Recovery of \$2.1 million over three years and in response to Governor Brown's January 17, 2014 State of Emergency Proclamation	\$700
8	Return on Equity	9.88%	10.50%	9.71%	N/A		10.00%
9	Overall Rate of Return	7.75%	7.92%	7.17%	N/A		7.51%
10	Debt / Equity Ratio	48.5% / 51.5%	45% / 55%	51.63% / 48.37%	N/A		47.50% / 52.50%
11	Depreciation Rate	2.33%	2.21%	N/A	N/A	Reduction of depreciation rate from Liberty's 2013 Depreciation Study conducted by an external consultant	2.21%
12	Allowance for Funds Used During Construction	8.76%	6.59%	N/A	N/A	As Calculated by FERC Form 2	6.59%
13	Number of Residential Customers	-	46,910	46,683	N/A		46,683

Liberty Utilities (CalPeco Electric) LLC (U 933-E)
2016 General Rate Case A.15-05-008
Revenue Requirement

Line Item	Issue	Current Status	Liberty Utilities Request in Application	ORA Response in Testimony	A-3 Customer Coalition Response in Testimony	Notes	2016 GRC Settlement
14	Franchise Fee and Uncollectible Rate	1.23%	1.32%	N/A			1.35%
15	General Rate Case Memorandum Account	Approved in Decision 15-12-035	Assumes recovery amount to be recorded into GRCMA as of October 1, 2016 and over 27 months				Recovery amount to be recorded upon the Commission issuing a decision in A. 15-05-008 approving the change in rates and the new rates becoming effective
16	Rate Base (\$000)	\$119,181	\$150,927	\$135,961	N/A		\$143,943
17	Return on Rate Base ("Operating Income") (\$000)	\$9,235	\$11,954	\$9,699	N/A		\$10,812
18	Operation and Maintenance Expenses (000's)	\$8,793	\$8,608	\$7,004	N/A		\$8,499
19	Administrative and General Expenses (000's)	\$4,924	\$8,613	\$7,663	N/A		\$8,308

Liberty Utilities (CalPeco Electric) LLC (U 933-E)
2016 General Rate Case A.15-05-008
Marginal Costs

Line Item	Issue	Current	Liberty	ORA	A-3	Notes	2016 GRC Settlement
1	Generation Capacity	Gen- \$93/kW Trans - \$18/kW	Gen - \$170/kW Trans - \$19.62/kW	No position	N/A	Based on updated values adopted in 2013 by the Public Utility Commission of Nevada for Sierra Pacific Power Company. As Sierra Pacific provides almost 100% of Liberty's energy, these values are appropriate for California.	Liberty assumes no litigation issues on its proposal.
2	Marginal Energy (\$/kWh)	Range from 4.416 to 3.03 cents/kWh	Range of 4.24 to 2.57 cents/kWh; Varying by Season/TOU	4.24 to 2.57 cents/kWh	N/A	In rebuttal testimony Liberty accepted ORA updated revisions to the values originally filed by Liberty.	Liberty assumes no litigation issues on its final proposal
3	Customer MC Method	New Customer With Replacement Factor	New Customer no Replacement Factor	New Customer no Replacement Factor	No position	In rebuttal Liberty accepted ORA 's position.	Liberty assumes no litigation issues on its final proposal.
4	Distribution Demand MC (\$/kW)	\$410 to \$59 depending upon measurement requirement.	\$565 to \$39 depending upon measurement requirement.	Disputes Liberty calculation method	No position.	ORA accepts Liberty position but requests that Liberty file alternative measurement approaches in the 2019 GRC.	Liberty commitment to endeavor to develop alternative measurement methodology to be reflected in Settlement Agreement

Liberty Utilities (CalPeco Electric) LLC (U 933-E)
2016 General Rate Case A.15-05-008
Revenue Allocation

Line Item	Issue	Current	Liberty	ORA	A-3	Notes	2016 GRC Settlement
1	Allocation Method for Public Purpose Programs	Equal cents/kWh allocation on all Public Purpose Programs, but a separate allocation of Vegetation Management costs as part of the final settlement.	Equal cents/kWh, allocation of all Public Purpose programs and but with a per customer charge cost recovery from the A-3 customers.	ORA agrees with Liberty proposal to maintain equal cents/kWh on Public Purpose Programs.	Vegetation Management is not a Public Purpose Program. Vegetation Management costs should be allocated among the customer classes according to cost-causation principles. A-3 proposed allocations of Vegetation Management Program costs to be based on miles of overhead lines, number of customers in each class, and miles of secondary voltage lines versus primary voltage lines. A-3 took no position on the allocation of the costs of Public Purpose Programs.	ORA and A-3 agreed to allocate the Vegetation Management Program costs in the same proportion they were allocated in the settlement of Liberty Utilities' 2013 general rate case. As in the 2013 Liberty Utilities general rate case proceeding, the allocation to the A-3 customer class will be collected through a customer charge.	Liberty accepts the settlement reached between ORA and the A-3 Coalition.

Liberty Utilities (CalPeco Electric) LLC (U 933-E)
2016 General Rate Case A.15-05-008
Rate Design

Line Item	Issue	Current	Liberty	ORA	A-3	Notes	2016 GRC Settlement
1	Customer Charge for Residential Customers	\$7.10 per customer per month	\$6.56 per customer per month	No higher than \$7.10 per customer per month	N/A	Liberty's final number is below the maximum requested by ORA	\$6.56 per customer per month
2	Time of Use Rates (TOU)	Existing TOU tariffs do not have any customers	Proposals to make Optional TOU tariffs more attractive particularly for charging of electric cars and buses.	Does not oppose changes to optional TOU tariffs. Believes the A3 tariff change to make electric bus charging more attractive requires more study.	N/A		ORA accepts Liberty Utilities proposal
3	A3 Curtailment Tariff	An interim tariff approved in Advice Letter 38-E, but its term will expire upon effectiveness of new rates	Proposes a permanent, but voluntary, tariff to provide an Incentive for A-3 customers to pro-actively shed load during any potential electric curtailment circumstances.	ORA does not oppose introduction of the voluntary tariff.	N/A		No party has raised an issue with Liberty's proposal.
4	Electric Vehicle Tariff TOU Options	None currently offered	Liberty proposes its TOU Electric Vehicle Tariff in Ex. Liberty Utilities-4, at 3-17:4—3-19:9	ORA does not oppose the Electric Vehicle TOU Tariffs however ORA believes the A3 tariff change to make electric bus charging more attractive requires more study.	N/A		ORA did not offer an alternative to the Liberty proposal on changing the A3 tariff to create an incentive for electric bus vehicle charging